

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
Sacramento, California 95814

**WEBSITES**

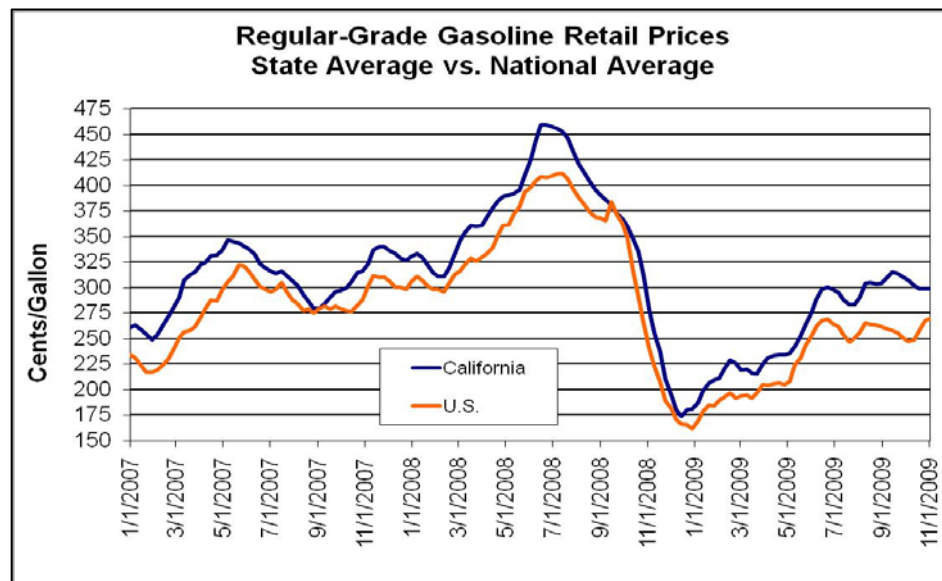
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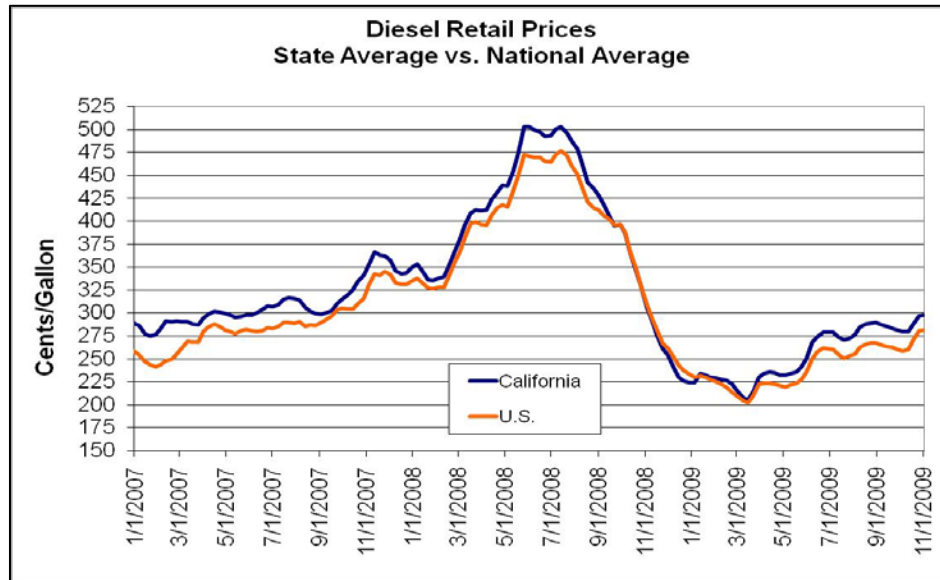
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**Petroleum Watch****November 5, 2009*****Retail Gasoline and Diesel Prices on November 2***

- The average California **retail price for regular-grade gasoline** increased a fraction of a cent from last week to \$2.99 per gallon. For the first time in 2009, California prices are higher than they were a year ago. Prices are 20 cents higher than this time last year but 8 cents lower than a month ago.<sup>i</sup>
- The difference between California and U.S. retail gasoline prices decreased 31 cents from a month ago to 30 cents per gallon. U.S. gasoline prices increased 22 cents since last month to \$2.69 and are 29 cents more than this time last year.

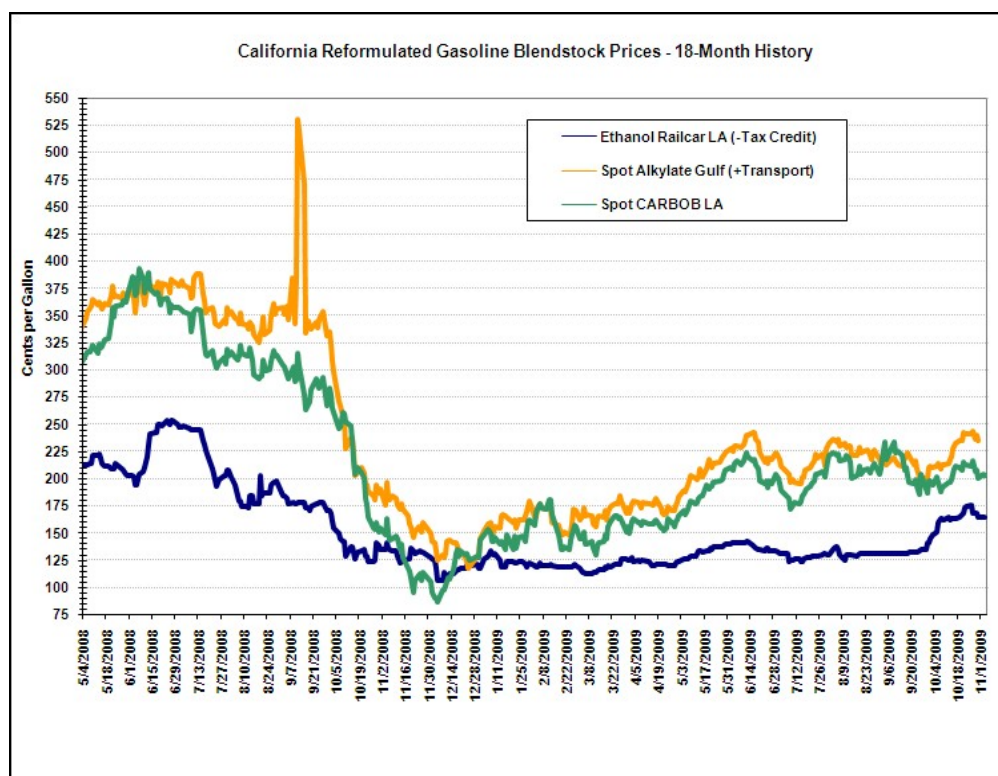


- The average California **retail diesel price** increased 18 cents since last month to \$2.97 per gallon. The U.S. retail diesel price rose 23 cents from a month ago to \$2.81 per gallon.



### **Wholesale Gasoline, Diesel, and Blendstock Prices on November 3**

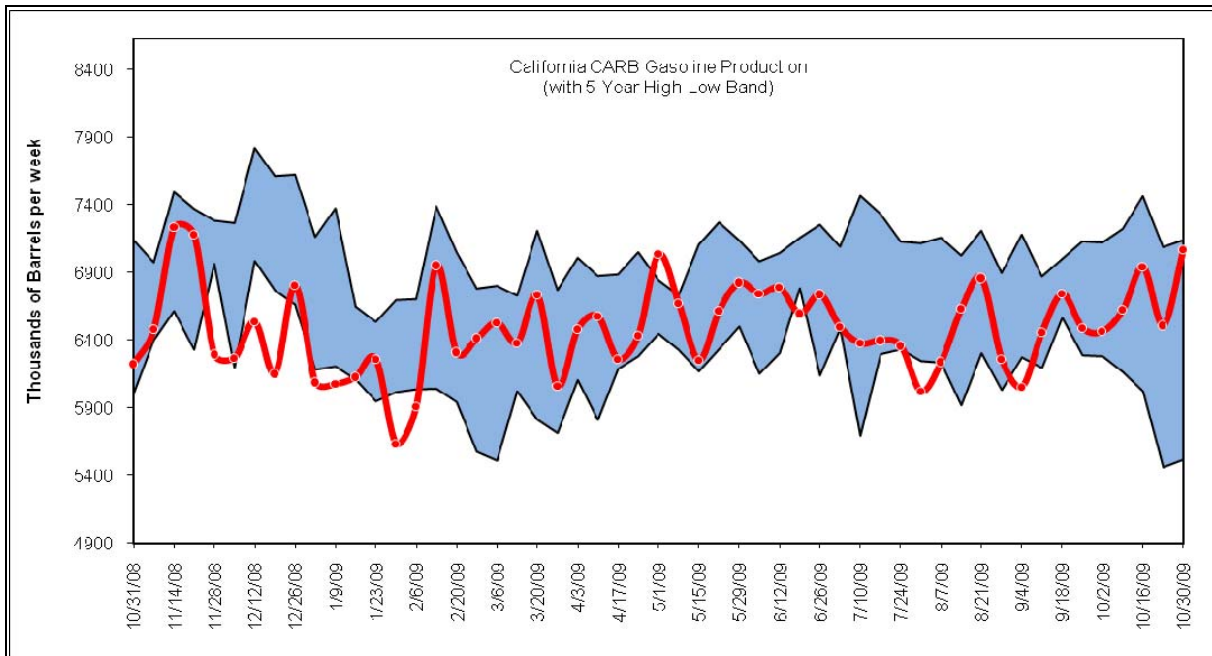
- Wholesale prices have followed rising crude oil prices. Wholesale gasoline and diesel prices in California are higher than last month but have decreased since the previous week.
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) rose to \$2.05, 9 cents per gallon more than a month ago and 48 cents more than the same time last year.
- Spot prices for RBOB in Los Angeles are 7 cents per gallon more than New York Harbor and 9 cents more than the Gulf Coast.
- California spot **wholesale ultra-low-sulfur diesel prices** have risen to \$2.08, 27 cents more than last month and 4 cents more than a year ago. This is the first time in 2009 that prices have been higher than the same date in 2008.
- California wholesale ultra-low-sulfur diesel prices are 7 cents more than the Gulf Coast and 4 cents more than New York Harbor.
- California **spot wholesale prices for fuel ethanol** rose 5 cents from last month to \$1.65 per gallon.<sup>ii</sup>



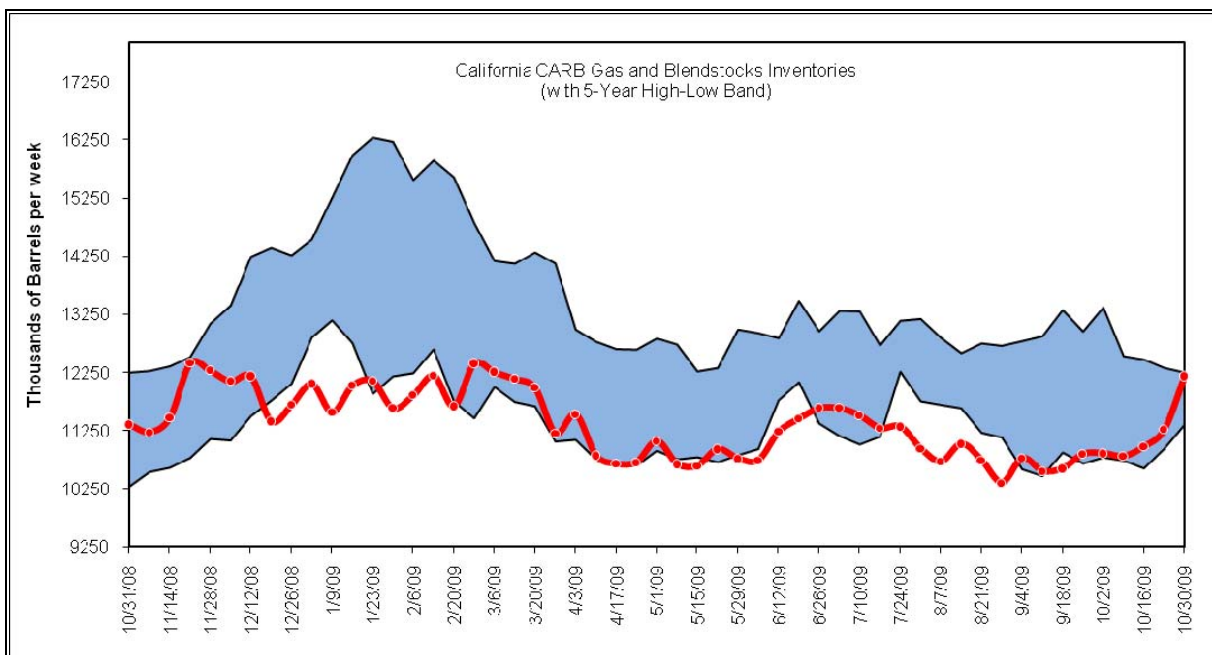
- The Energy Information Administration's (EIA) weekly report for the week ending October 30 shows that **U.S. gasoline demand** increased 1.8 percent, and distillate demand decreased 1.8 percent from the previous week. The four-week average demand for gasoline is 9 million barrels per day, 0.1 percent less than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.6 million barrels per day, 11.2 percent less than the same period last year.

## Refinery Production and Inventories

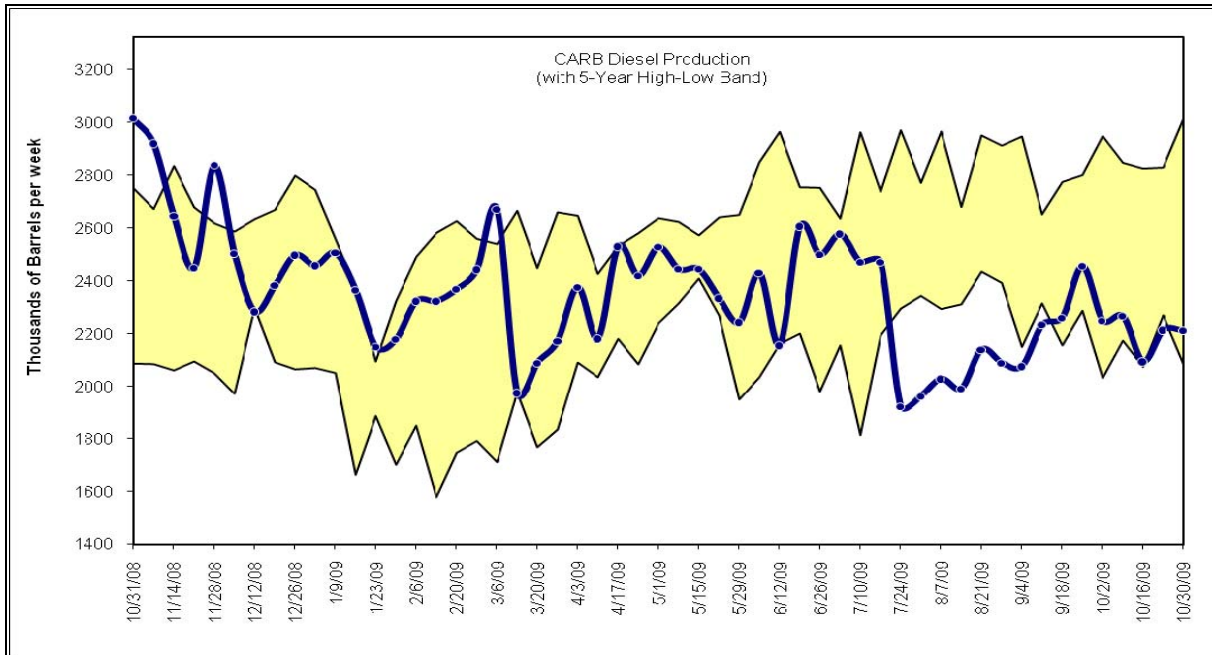
- Reformulated gasoline production** in California for the week ending October 30 increased 8.6 percent from the previous week to 7.1 million barrels, rising to the top of the five-year range and 13.5 percent higher than a year ago.<sup>iii</sup>



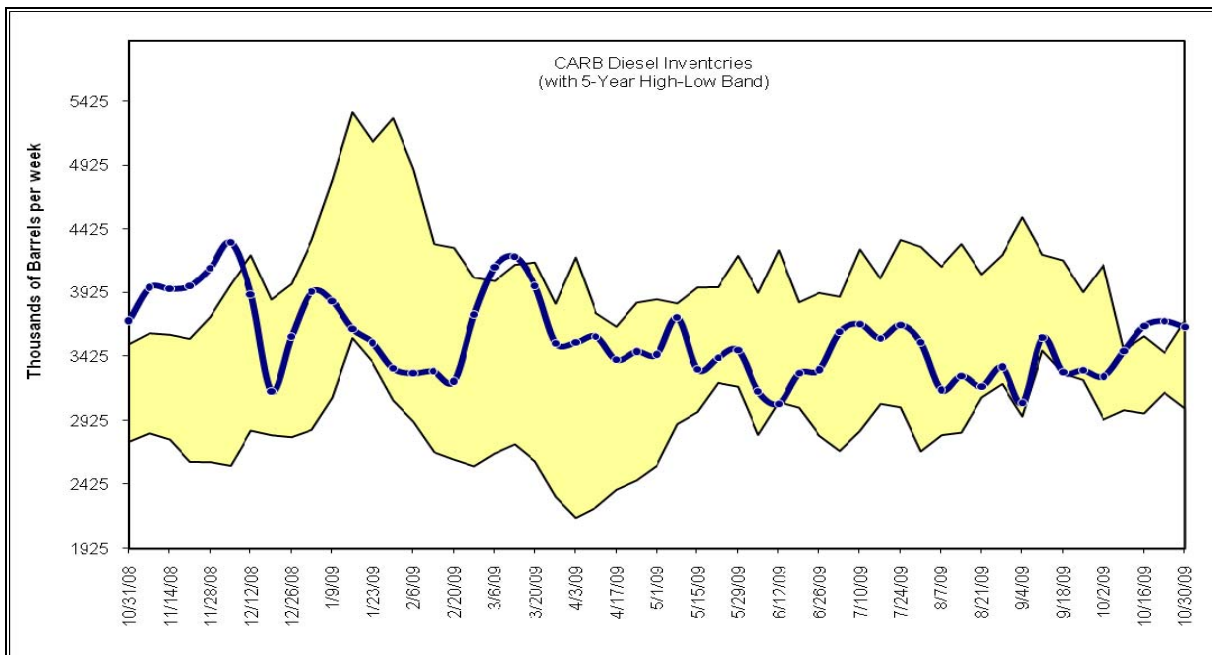
- California reformulated gasoline inventories** increased by 13.6 percent from last week while gasoline blendstock inventories increased 3.6 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state increased by 8.1 percent to 12.2 million barrels, rising to the top of the five-year range.



- U.S. gasoline inventories as of October 30 decreased to 208.3 million barrels, 287,000 barrels less than the previous week. Inventories remain unchanged on the Gulf Coast and increased on the East and West Coasts.
- California **ultra-low-sulfur diesel fuel production**, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, decreased to 2.2 million barrels during the week ending on October 30, 1.1 percent less than the previous week and remaining near the bottom of the five-year range.



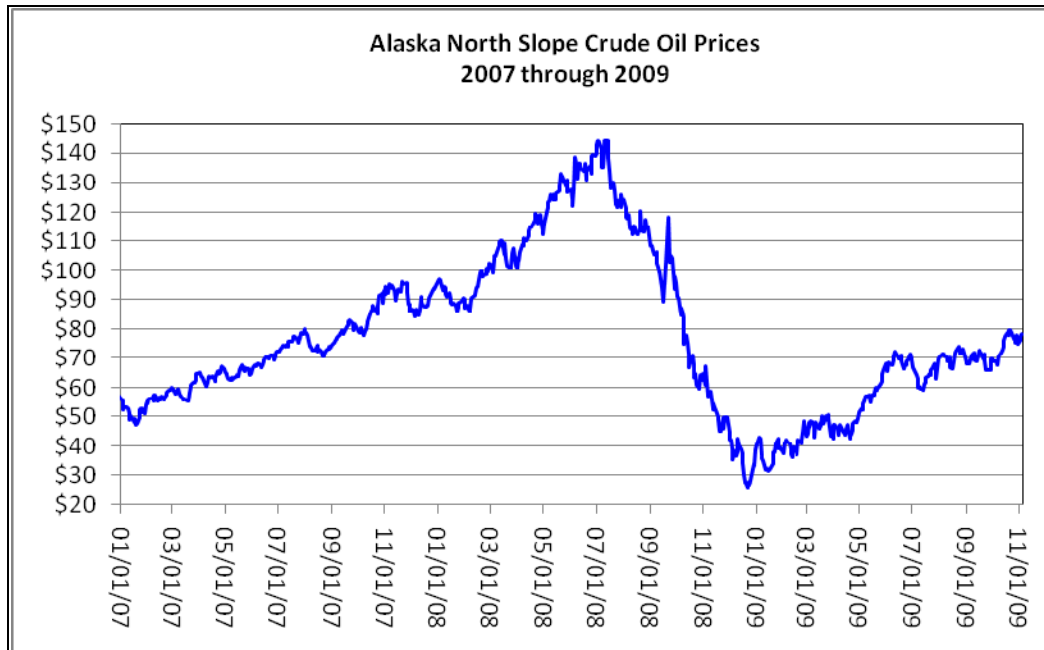
- Combined ultra-low-sulfur diesel inventories** in California decreased 1 percent from the previous week to 3.5 million barrels and moved to the top of the five-year range. Total U.S. distillate inventories as of October 30 fell to 167.4 million barrels, 378,000 barrels less than the previous week. Inventories increased on the West Coast and decreased on the Gulf and East Coasts.





## Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, reached a 2009 high of \$79.89 per barrel on October 21, but have since declined to \$78.40 on November 4, \$10.53 higher than last month and \$10.92 higher than a year ago.<sup>iv</sup> A reported 3.5 percent annualized United States gross domestic product increase in the third quarter of 2009, a decrease in inventories, and a weakened U.S. dollar have put upward pressure on prices, which have increased despite continued unemployment and weak consumer spending. In other news, Saudi Arabia on October 29 decided to drop the West Texas Intermediate (WTI) oil contract as a benchmark for pricing its oil and will instead use the Argus Sour Crude Index, a weighted average of three sour crude oil grades. The decision was based on the disconnect of WTI compared to other global benchmarks resulting from a surge in inventories this year in Cushing, Oklahoma, that depressed the value of WTI. The decision could encourage other oil producers to also drop the WTI oil contract in their pricing formulas.



- U.S. commercial crude oil inventories as of October 30 fell by 3.9 million barrels from the previous week to 335.9 million barrels. Crude oil stocks are 24 million barrels more than this time last year and 22.5 million barrels more than the five-year average for this date. California crude oil stocks fell 0.9 percent from the previous week to 15.8 million barrels and are 0.3 percent more than last year.

<sup>i</sup> Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

<sup>ii</sup> Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

<sup>iii</sup> California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

<sup>iv</sup> ANS crude oil prices are from *The Wall Street Journal*.